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FEDERAL ELECTION  
COMMISSION  
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BEFORE THE FEDERAL ELECTION COMMISSION

APR 22 4 35 PM '98

In the Matter of

Embassy of India and Davendra Singh

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MUR 4583

**SENSITIVE**

**GENERAL COUNSEL'S REPORT**

On November 12, 1996, the Commission found reason to believe the Embassy of India and Davendra Singh knowingly and willfully violated 2 U.S.C. §§ 441e and 441f. By letter dated November 25, 1996, the Commission notified these respondents of its findings. Though the Embassy has stated an intent to cooperate voluntarily with the Commission's investigation through the United States Department of State and promised a response after receiving word from the Government of India, it has not done so to date. This Office has kept the Commission informed of its efforts to obtain a response from the Embassy of India and of our discussions with the State Department. See Memorandum to the Commission dated January 13, 1997, and General Counsel's Reports dated April 18, 1997, August 22, 1997

this Office

informed the Commission that the Office of the Legal Adviser at the State Department had informed us that the Embassy had reported that the Government of India was working on the issue and would reply by January 30, 1998, the date requested in the General Counsel's letter transmitting informal questions to the Embassy. The Legal Adviser's Office has informed us that the Embassy has not heard further from the Government of India.

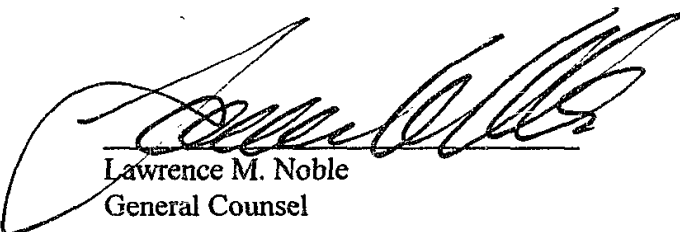
As set out in the Factual and Legal Analysis, the findings against the Embassy of India and Davendra Singh were based on Lalit Gadhia's plea agreement which included a Statement of

Facts indicating that all of the funds used to reimburse the conduits originated from Davendra Singh, then-Minister for Personnel and Community Affairs at the Embassy of India, and documents sent by Mr. Gadhia and addressed to Minister Singh at the Embassy listing the names and addresses of the contributors, the amount of each contribution, and the committees which received the contributions. The investigation revealed further details regarding Mr. Gadhia's contacts with officials at the Embassy and Minister Singh's role in this matter. See General Counsel's Report, dated August 22, 1997, pages 6-8. Mr. Gadhia testified that Minister Singh initiated the idea for the reimbursement scheme and that Minister Singh supplied him with approximately \$60,000 in fresh \$100 bills, with instructions "to channel" the money to candidates in the 1994 federal elections. The meetings where the money was supplied took place at a location away from either Mr. Gadhia or Minister Singh's office.

Because it has been over a year and a half since the Commission notified the Embassy of its findings and nearly three months past the date the Government of India agreed to respond to our letter, this Office intends to send the Embassy a letter through the State Department outlining our efforts to obtain a response and stating our intent to proceed to the next stage of the enforcement process.

Date

4/22/98

  
Lawrence M. Noble  
General Counsel

Staff Assigned: Dominique Dillenseger